



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

April 29, 2002

H.R. 4231

Small Business Advocacy Improvement Act of 2002

As ordered reported by the House Committee on Small Business on April 17, 2002

H.R. 4231 would increase the amount authorized to be appropriated under current law for the Office of Advocacy within the Small Business Administration (SBA). The Office of Advocacy researches and assesses the effects of federal programs on small businesses and issues recommendations based on these findings.

CBO estimates that implementing H.R. 4231 would cost \$6 million in 2003 and \$32 million during the 2003-2007 period, assuming the appropriation of the authorized amounts. H.R. 4231 would not affect direct spending or receipts; therefore, pay-as-you-go procedures would not apply.

H.R. 4231 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would not affect the budgets of state, local, or tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 4231 is shown in the following table. The costs of this legislation fall within budget functions 370 (commerce and housing credit). Based on information from the SBA, CBO estimates that the Office of Advocacy will spend about \$7 million in 2002. However, under current law, only \$1 million a year is authorized to be appropriated for the office for future years. H.R. 4231 would increase the authorization of appropriations for the office to \$10 million in 2003, \$12 million in 2004, and \$14 million in 2005. Estimated outlays are based on historical patterns.

	By Fiscal Year, in Millions of Dollars					
	2002	2003	2004	2005	2006	2007
SPENDING SUBJECT TO APPROPRIATION						
Spending for SBA's Office of Advocacy						
Under Current Law						
Authorization Level ^a	7	1	1	1	1	1
Estimated Outlays ^a	7	1	1	1	1	1
Proposed Changes						
Authorization Level	0	9	11	13	0	0
Estimated Outlays	0	6	10	12	3	1
Spending for SBA's Office of Advocacy						
Under H.R. 4231						
Estimated Authorization Level ^a	7	10	12	14	1	1
Estimated Outlays ^a	7	7	11	13	4	2

a. The 2002 level is the estimated spending of the Office of Advocacy in that year.

PAY-AS-YOU-GO CONSIDERATIONS: None

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 4231 contains no intergovernmental or private-sector mandates as defined in UMRA and would not affect the budgets of state, local, or tribal governments.

PREVIOUS CBO ESTIMATE

On March 7, 2001, CBO transmitted a cost estimate for S. 395, the Independent Office of Advocacy Act of 2001, as ordered reported by the Senate Committee on Small Business on March 1, 2001. S. 395 would authorize such sums as are necessary for the Office of Advocacy, while H.R. 4231 would authorize specific amounts for 2003 through 2005.

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